



Arkansas Insurance Department

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December 15, 2004

BULLETIN NO. 14-2004

TO: ALL LICENSED PROPERTY AND CASUALTY INSURERS, NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, TRADE ORGANIZATIONS, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: USE OF CREDIT INFORMATION UNDER ARK. CODE ANN. § 23-67-415 IN PERSONAL INSURANCE FOR PRIVATE PASSENGER AUTO, HOMEOWNERS, MOTORCYCLE, MOBILE HOME, NON COMMERCIAL DWELLING/FIRE, NON COMMERCIAL FARMOWNERS, PERSONAL WATERCRAFT, BOAT, SNOWMOBILE, RECREATIONAL VEHICLES

EFFECTIVE DATE: DECEMBER 15, 2004

Arkansas Code Annotated § 23-67-415 requires that no later than March 31 of each year, each insurance company writing any personal insurance that uses credit-scoring information shall report to the Insurance Commissioner for each personal insurance type listed in § 23-67-404(9) the number of:

- (1) Policies written during the preceding year;
- (2) Policies that received a premium increase due to credit scoring during the preceding year; and
- (3) Policies that received a premium decrease due to credit scoring during the preceding year.

This subchapter applies to personal insurance and not to commercial insurance or any other type of insurance. "Personal insurance" means private passenger automobile, homeowners, motorcycle, mobile home owners, noncommercial dwelling fire insurance, noncommercial farm owners, boat, personal watercraft, snowmobile, and recreational vehicle policies. If your company does not write any of the lines of insurance included in this definition of "personal insurance" nor have any policies in force and effect covering said lines at any time during the period covered by the report, please notify the Property and Casualty Division of that fact prior to the March 31st due date. Such notification shall be considered meeting the reporting requirements of the Act.

Information filed with the commissioner under this section by an insurance company shall be treated as proprietary information and is exempt from public disclosure.

Attached to this Bulletin is a suggested form upon which to report the required information. This form will be available on our website at www.accessarkansas.org/insurance/pdf/bulletin_14_2004.pdf and we can furnish it as an attachment to an email as well.

If you should have any questions, please contact Alexa Grissom or Becky Harrington, Property and Casualty Division, at (501) 371-2800 or alexa.grissom@arkansas.gov or becky.harrington@arkansas.gov or fax at (501) 371-2748.

MIKE PICKENS
INSURANCE COMMISSIONER

12/14/04

DATE

Credit Use Impact on Personal Lines Policies
Required by Act 1452 of 2003
A.C.A. 23-67-415

Company Name:	
Address:	
City, State, Zipcode:	
NAIC No.:	
Name of Person Preparing this Report:	
Telephone No.:	
Email Address:	

For Calendar Year **2004**

	Private Passenger Auto	Homeowners	Motorcycle	Mobile Home	Non Commercial Dwelling/Fire	Non Commercial Farmowners	Personal Watercraft	Boat	Snowmobile	Recreational Vehicle
Policies written during the preceding calendar year										
Policies that received a premium increase due to credit scoring during the preceding calendar year										
Policies that received a premium decrease due to credit scoring during the preceding calendar year										

INSTRUCTIONS:

- For each line report the total number of policies written during the calendar year without regard to the length the policy was in effect. We are simply interested in knowing how many policies you wrote including new policies and renewals of existing or new policies in the case of lines where you typically write coverage for less than a calendar years duration. Do not report policies that were written or renewed in prior calendar years but do include these renewals if they occur in this calendar year.
- For each line report the number of policies where the premium was increased because of the use of credit. A helpful way of determining whether a policy's premium was increased due to credit is to look at your neutral credit tier or factor and count all policies that paid a higher credit related premium than that tier. Generally, the tier or factor you use for "no-hits" and "thin-files" will be according to Arkansas law the tier or factor where credit had no impact. Please apply the rules for determining the number according to the instructions in instruction number 1.
- For each line report the number of policies where the premium was decreased because of the use of credit. A helpful way of determining whether a policy's premium was decreased due to credit is to look at your neutral credit tier or factor and count all policies that paid a lower credit related premium than that tier. Generally, the tier or factor you use for "no-hits" and "thin-files" will be according to Arkansas law the tier or factor where credit had no impact. Please apply the rules for determining the number according to the instructions in instruction number 1.
- Only use positive whole numbers or zero where applicable - no text or decimals. Any report furnished with anything in the white boxes other than positive whole numbers or zero will be returned for correction.
- If you use a formula to calculate the numbers for one or more of the fields, please copy the results and do a "paste special" command selecting the "values" option only so that we do not have references to other spreadsheets or excel files when we do our calculations.